

7/13/62

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President's Seal

THE PRESIDENT'S INTELLIGENCE CHECKLIST

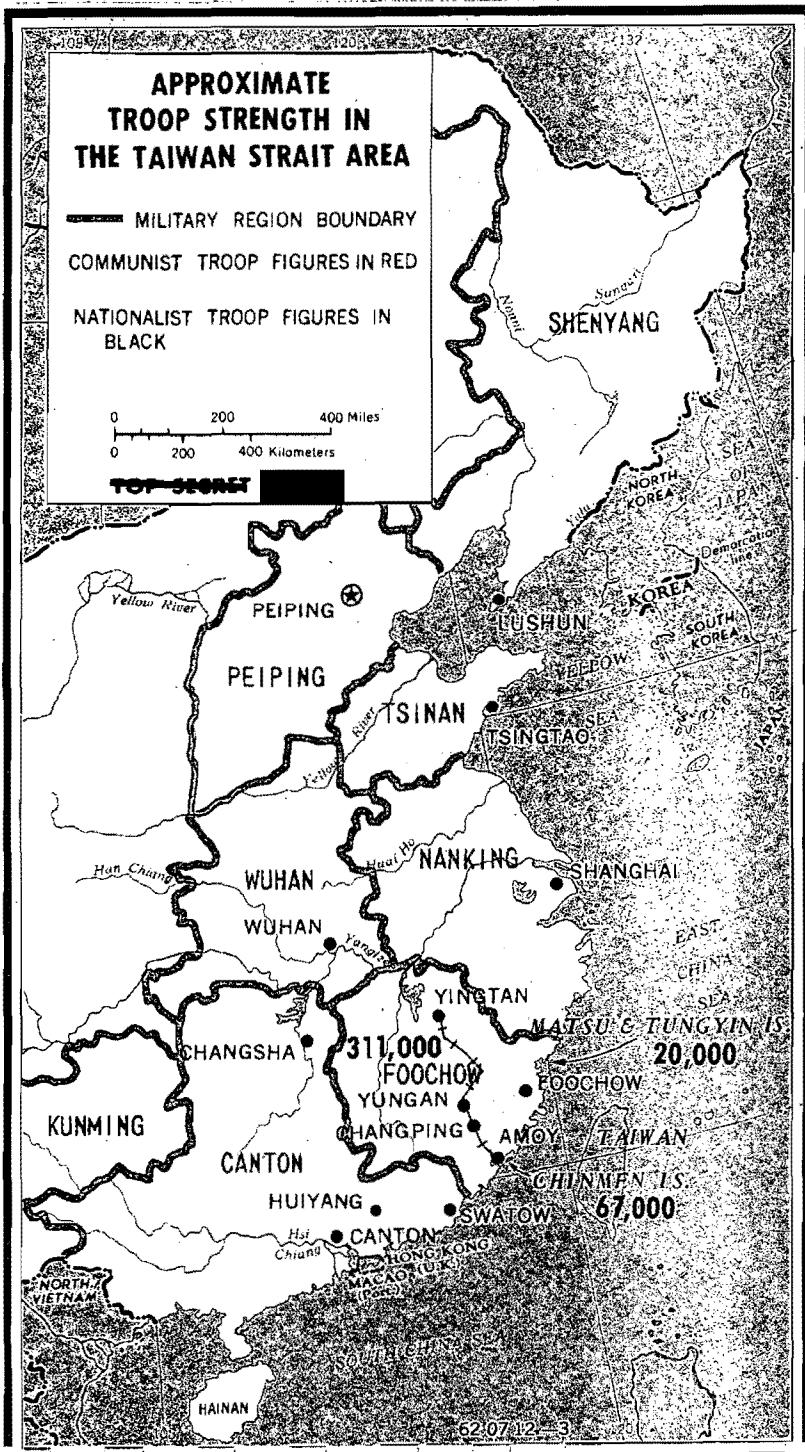
13 JULY 1962

~~TOP SECRET~~

DECLASSIFIED UNDER AUTHORITY OF THE INTERAGENCY
SECURITY CLASSIFICATION APPEALS PANEL.
E.O. 13526, SECTION 5.3(b)(3)
ISCAP No. 2011-056, document 2

E.O. 13526, section 3.3(b)(1)

(4)



1. Communist China

Too
Strong

a. Further evidence that the bulk of the Chinese Communist troops moved to the Amoy area have been settled in comes from Nationalist aerial photography which has now accounted for barracks enough in the area to house about 100,000 troops. We think there are about 175,000 troops within 50 miles of Amoy.

b. The British Consul in Shanghai reports that his Soviet and Polish counterparts have delivered the opinion that "internal reasons" were behind the Chinese Communist buildup. They insisted that Peiping had received no official support for the movements from Moscow.

Portion identified
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to the appeal

2. Peru

The prospects for an orderly resolution of the electoral deadlock by means of a coalition agreement sank sharply yesterday when Belaunde announced he would have no part of it and took off for Arequipa, Peru's second city, to preside over a demonstration of his supporters. The military leadership, also yesterday, threw more gloom into the picture by reiterating charges of electoral fraud. There have been no reports this morning of violence in Arequipa, but it looks now as though Belaunde is committed once and for all to a die-hard course, possibly in the belief that if there are disorders the military will intervene and Belaunde will get another chance at the Presidency in army-run elections.

For The President Only—~~Top Secret~~

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5. East-West Germany

The East Germans have now spelled out in detail what they would like to have in the way of credits from West Germany, and the proposition is now before the Adenauer cabinet after passing through an Inter-Ministerial Committee which examined it closely under a political light. The Committee recommends rejection of a proposed \$600,000,000-plus long-term credit because it would lessen the leverage which interzonal trade arrangements now give Bonn against the East Germans with regard to Berlin access, and also because it would not further East Germany's economic dependence on West Germany. A second, lesser credit would be considered if the East Germans would agree to concessions, as for example, on the movement of West Berliners within Berlin. The Committee recommended favorable action on a request for modest short-term credits for the purchase of consumption products, even if the East Germans refused any political quid pro quo.

6. Laos

a. Phoumi has launched a scheme for a political party, to embrace his supporters and hopefully the neutralists, which would contest a future election with the Pathet Lao political organization which is already a going concern. The big question at the moment is whether Phoumi had tested neutralist reaction before making the idea public. However, Souvanna was said to have been pleased by the tone of the telegram he has received from Phoumi on the subject.

(cont'd)

For The President Only - ~~Top Secret~~

(6)

b. The Thai delegate at Geneva has informed us that he has a go-ahead to accept the Lao declaration text. There is no word yet as to whether the South Vietnamese will follow suit.

For The President Only—~~Top Secret~~

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NOTES

- A. Brazilian prime minister-designate Brochado da Rocha has tried and failed to get enough backing for a proposed cabinet of politicians and will go back to parliament today to seek approval for a slate of "technicians."

Portion identified
as non-responsive
to the appeal

THE DIRECTOR OF CENTRAL INTELLIGENCE

For The President Only—~~Top Secret~~